



Online Marketing: Opportunities And Threats

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Abstract:

In recent years, online marketing become one of the fastest growing technology that plays a significant role in daily life of human being. Online marketing is also referred to as e-marketing, Internet marketing, web marketing means using internet for marketing and sell goods and services. It consist of all the activities with the purposes of attracting, finding, winning and retaining customers. Scope of online marketing is increasing day by day. The paper starts with defining online marketing and reviewing historical background to utilization of online marketing; different kinds of internet marketing, then, will be shed light upon. The marketing opportunities stem from introduction of this new, virtual space is the next focal point of concentration. The study continues with challenges, such as problems of security, privacy, etc, emerged in the field of marketing from implementation of virtual space produces. Contemplating the solutions to tackle the challenges ahead, we provide the conclusions

Key words : online marketing, consumers, marketing, challenges

Introduction:

Due to globalization not only nations are coming closer to each other but also different sectors

undergoes into significant changes. Marketing sector is also affected by this and experiencing so many changes. Online marketing is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser. The scope of Online Marketing is deemed to be broad in scope it does not only use to promote marketing over the internet but also helps in marketing as well through e-mail and wireless media. E-marketing also joins technical and creative aspects of the Internet, including: development, design, advertisement and sales. Use of websites are made by e-marketing in combination with online promotional techniques such as social medial marketing, search, interactive online ads, e-mail marketing, online directories, viral

marketing, affiliate marketing and so on. E-Marketing also include product display, advertisement consisting of graphics videos and audio with text, 3D product view, product navigation, basket selection, checkout and payments.

Definition :

Online marketing is the process of promoting a brand, produce service over the internet .its scope includes email marketing, electronic customer relationship management and any promotional activities that are done by wireless media. Its means using internet technologies to help sell your goods or services these technologies are a valuable complement to traditional marketing methods whatever the size of your company or your business model.

Objectives of the study :

- To define the meaning of online marketing
- To observe the online marketing environment
- To analyze the opportunities and threats in online marketing

There are different E-Marketing objectives depending on their individual circumstances. A basic

framework for developing effective E-Marketing objectives is the five S's framework, which includes:



1. Sell : For sell products and services.
2. Serve : To serve best service to customers.
3. Speak: Internet use for communicate with customers
4. Save: Using Internet to save cost
5. Sizzle: To build brand identity.

Different types of online marketing

Online marketing also known as e. marketing includes several methods which are explained here briefly

Online Marketing Types



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1. Display advertising :

Display advertising is a form of advertising that convey a commercial message using text, logos animations ,videos ,photographs . Display Advertisers frequently target users with particular traits to Increase the ads effect. It is not expensive. It is directly proportional with its size and its placement on the host site. The Internet has also allowed for more creative and visually appealing display ads because of rich media. Furthermore, it has allowed media providers to offer a greater return

on investment to their clients with targeting and tracking

2. Search Engine Marketing :

Search engine marketing is the practice of marketing a business using paid advertisements that appear on search engine results pages . Advertisers bid on keywords that users of services such as Google and Bing might enter when looking for certain products or services, which gives the advertiser the



opportunity for their ads to appear alongside results for those search queries. These ads, often known by the term pay-per-click ads, come in a variety of formats. Some are small, text-based ads, whereas others, such as product listing ads (PLAs, also known as Shopping ads) are more visual, product-based advertisements that allow consumers to see important information at-a-glance, such as price and reviews. Search engine marketing's greatest strength is that it offers advertisers the opportunity to put their ads in front of motivated customers who are ready to buy at the precise moment they're ready to make a purchase. No other advertising medium can do this, which is why search engine marketing is so effective and such an amazingly powerful way to grow your business.

3. Search Engine optimization :

Nowadays it is impossible to imagine a business which has not its own website but having a own website does not necessary result to a ideal amount of visit. To accomplish this goal another type of online marketing called SEO should be adopted .Davis defines it in this way SEO- is the art, craft or science of driving web traffics to websites. The importance of search engine optimization lies in the fact that customers most of the time use engines as a major gate to get around in the internet. So some marketing techniques have been developed to enhance the rank of intended business websites in the search engine results. The purpose of SEO strategies is to place a given website among highly

listed entries returned by search engines which in its turn produces more traffic. So, "Web site owners, webmasters and online marketers want search engines to send traffic to their site. Therefore, they need to make sure that their sites are relevant and important in both the eyes of the search engines and the users."

4. Social Media Marketing

With the rise of social media methods of marketing on social media platforms have been developed. Generating likes, followers and anything that brings connections into your sales funnel is social media marketing. For the best results you have got to be committed to engaging and interacting with your audience. "Social media marketing refers to the process of gaining website traffic or attention through social media sites." Typically it looks like this: businesses establish a presence on social networks like Face book , Twitter, LinkedIn and Google+ in order to engage their online audience, build a following, and drive traffic back to their website and/or blog. You've bee a part of social media marketing if you've Liked a company on Face book, rewetted a company tweet, or downloaded an online coupon from another social network. As we noted above with content marketing, success with social media marketing (SMM) can aid in other online marketing efforts. Social network sharing is an effective way to promote your content marketing efforts. Every new blog post, white paper, info graphic or other form of content you create



should be shared with your social networks. Social media activity can also help you with your search engine marketing's SEO efforts. Though the major search engines haven't specified just how much it matters, they've all said that social media "signals" factor into the search algorithms that translate into search engine rankings. In other words, if there's a lot of social network activity around your brand, you'll be more likely to rank high for relevant terms.

5. E .mail Marketing :-

Using e .mail for sending promotional messages to internet users is known as e .mail marketing. It's very effective method of online marketing. Among its benefits point to "high response rates" and "low costs" of email marketing and believe that this advantages "are rapidly turning email marketing into an invaluable tool". Despite these benefits email marketing suffers from deficiencies. One these problems are that online customers can easily ignore the received advertisements and even some email clients would decide to put them in the spam folder. So some measures should be taken to overcome the possibility of ignoring promotional emails on the part of customers. One of the solutions is to not solely rely on email marketing. Marketers should employ different channels and methods of marketing to increase the chance of success. Another measure to transcend problems of email-marketing is permission email marketing. "Permission marketing" has been coined by Godin . In this method recipients are asked for their method permission to

receive marketing messages from the commercial marketers. So unless the recipients have not expressed their consent, they will not send commercial emails

6. Referral Marketing:

Referral marketing is a method of promoting products or services to new customers through referrals, usually word of mouth Such referrals often happen spontaneously but businesses can influence this through appropriate strategies Referral marketing is a process to encourage and significantly increase referrals from word of mouth perhaps the oldest and most trusted marketing strategy. This can be accomplished by encouraging and rewarding customers, and a wide variety of other contacts, to recommend products and services from consumer and B2B brands, both online and offline.

7. Affiliate Marketing

As a business owner what could be better than having an army of fans marketing your products and services and only getting paid when they sell something. This is affiliate marketing at its best. Affiliates need to be managed, trained and encouraged to succeed and the best affiliate programs focus on affiliate development as well as providing them with the tools they need to succeed and sell your products and services. Check out affiliate software this like aMember.com,

JVZoo.com, or 1ShoppingCart.com if this form of marketing interests you.

8. Inbound Marketing

A method to draw attention and visits to a web site by placing information on a web site others are seeking. This includes the use of providing valuable information via blogs or articles on a web site, or general information provided as web site content beyond the main purpose of the web site. When a search engine user searches for specific content, the web site containing the content is displayed, even though the content is not the main purpose of the web site. By drawing search engine users to the web site through secondary information, consumers are exposed to the web site and its main offerings

without having specifically searched for the web site.

9. Video Marketing

Marketing through the use of videos, such as found on YouTube or similar sites. Videos can be of any length (depending on the limitations of the site hosting the video) and have any content, message, or advocacy for a cause. Videos may be as simple as an individual standing in front of a camera talking, to full, rich production values as would be found in a movie theater. Video marketing marries the strengths of sound and moving sight to present a powerful message.

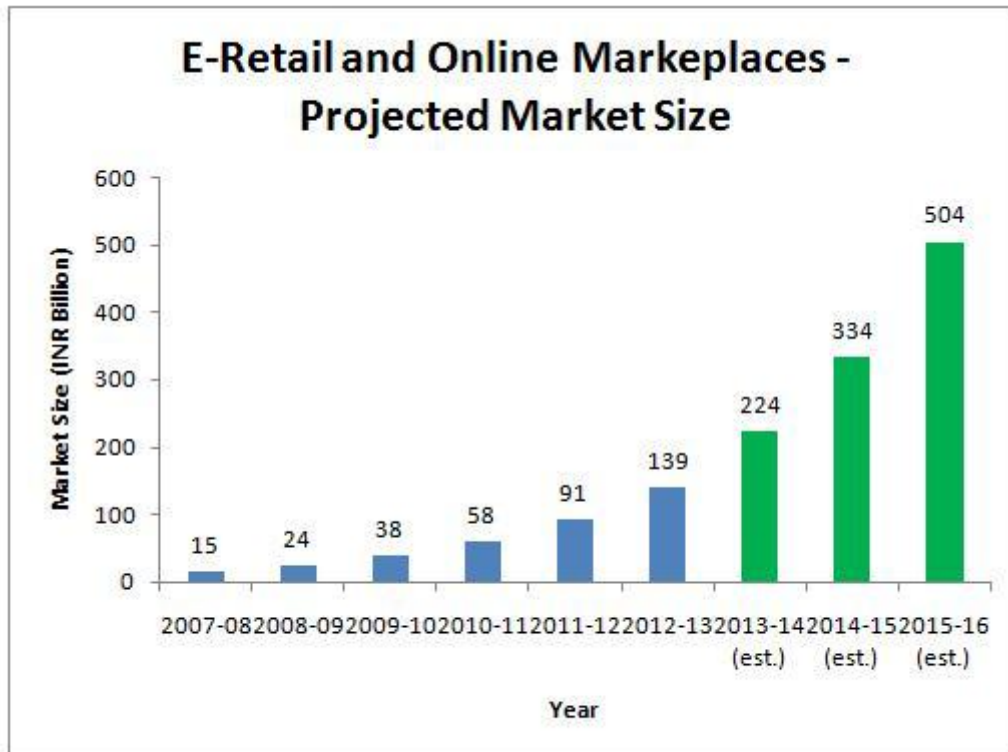


Exhibit 2 Growth Forecast for online retailing and marketplaces in India Source: CRISIL

Challenges

E-Commerce, in spite of the opportunities it presents also has poses certain challenges which are sometimes too much to handle for start-ups:



- **E-Infrastructural Issues:** Internet is the backbone of e-commerce. Unfortunately, in India internet penetration is so far dismally low at 0.5 per cent of the population, penetration of personal computer (PC) as low as 3.5 per thousand of population and penetration of telephone only 2.1 per cent of population, e-commerce remains far away from the common man.
- **Branding & Marketing:** To get people to come on an e-Commerce site and make a purchase involves heavy cost due to branding and marketing. This cost is significant and can be brought down to cost per



customer, if the volumes permit to do so. Experts say that the average figure for this metric in the current e-Commerce ecosystem is between INR 500 – 1000 customer, which isn't sustainable for even medium sized companies, let alone early stage ones.

- **Declining Margins:** With the introduction of a large number of players in the already competitive e-commerce market, the customer is pampered by offering huge discounts, offers, taking returns etc. resulting in razor-thin margins.
- **Logistics & Supply Chain:** Logistics failure in any area can mean detrimental damage to a startup's future and can hurt the brand overall. Add to this the need for a guaranteed return policy. Getting this right is a challenge.
- **Tax related issues:** Tax rate system of Indian market is another factor for lesser growth rate of e Commerce in India in comparison to other developed countries like USA and UK. In those countries, tax rate is uniform for all sectors whereas tax structure of India varies from sector to sector. This factor creates accounting problems for the Indian online business companies.
- **Touch and Feel:** Indian customers are more comfortable in buying products physically. Companies dealing with products like apparel, handicrafts, jewelry have to face challenges to sell their products as the buyers want to see and touch before they buy these stuffs.

Future of Online Marketing

Social Media:

Majority of online buying decisions are made on Social Media. Social network like facebook , LinkedIn, Twitter, Google+ etc have become a medium for easy log-in and purchase. Moreover, the clients can stay updated via the posts published on this media. Further, the advertising & promotions on these social sites has increased the chances of success of generating transactions to many folds.

- **Drone Delivery:** Companies have been working their way around to innovate the delivery process to shorten human effort as well as time. The answer to these problems is Delivery by Drones. DGCA is now fast tracking the process of issuing guidelines for the use of drones for civil purposes in India. If everything goes as per the plan, then India might become the first country in the world to allow the use of drones for civil purposes.
- **App only Approach:** Statistics suggest the future of internet lies in mobiles. Experts say more than 580 million people in India will use the Internet by 2018, and 70-80% of them will access the Web on mobile phones. This will cause all major players to switch to app only model. About two-thirds of its online traffic of Flip kart comes from users in small cities and towns. Flip kart app-only approach assumes larger significance in these places where most

people don't own desktop computers and have limited access to broadband.

- **Google's Buy Now Button:** Google is reportedly working on its own "Buy Now" style button that would allow e-shoppers search for products on Google and purchase them with a single click, right through Google's own search results page. The button will be displayed near sponsored search

results beneath a "Shop on Google" heading at the top of the page. When users click on the Google's "Buy Now" button, they will be re-directed to another Google page that will allow them to choose specific item details, such as color and size, and then select a shipping route. Google would then pass on order information, including the customer's name and shipping address, to the retailer.



Artificial Intelligence: As the ecommerce space gets saturated, investors looking for innovative use of technology are zeroing in on companies developing artificial intelligence (AI) solutions. Jet Airways is experimenting with one such solution devised by Vizury. It sifts through the individual's public content on the internet, as well as the customer's previous searches and creates an instant profile. Based on this information, the airline knows whether to package hotel deals, or simply stick with airfare discounts. The system also allows them to

predict how likely is it for the customer to upgrade, and how flexible would the customer be to change travel location or date

Conclusion:

Online Marketing offers businesses the opportunity to collect data about their consumer base to an extent that has till now been very difficult to achieve via traditional marketing methods. The development of internet marketing social media advertising has led to examples of



businesses in recent years that appear to little more than categories and filter information relating to products and services on the Internet taking a small cut from any transaction that may occur as a result. In the next few years, online marketing in India will strengthen even further. India will have 30 to 70 million Internet users which will equal, if not surpass, many of the developed countries. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be

thrown open, will be accessible to both large corporations and small companies.

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